



Introduction to Marketing Physics

I'm Dave Bayless. Doug Hall is a new product expert who has analyzed thousands of product concepts over the last 30 years. Although a whole host of factors determine the ultimate success of a new product, Doug's research shows that a clearly articulated value proposition is a necessary, if insufficient, contributor.

In this video, I'm going to summarize Doug's framework, which he calls marketing physics, in order to define the components of a strong value proposition.

It's important to recognize that value is contextual. It's personal, relative, and time sensitive. If we are to persuade someone of the value of our product, we must answer several questions. Valuable for whom? Relative to which alternatives? And when is our product particularly valuable?

For instance, which is more valuable, gold or water? What if you were stranded in the desert?

Once we understand context, the strength of the value proposition is a function of three drivers. Overt benefit, real reason to believe, and dramatic difference.

An overt benefit is a clear, concise answer to two straightforward questions: What's in it for me, the customer, and why should I care about your product?

It's been said a million times, but it bears repeating: Focus on benefits, not features. Make benefits overt because people are too busy, and there's too much noise in their lives, to assume that they'll make the correct inference.

Furthermore, focus on the most powerful benefits. The probability of success actually declines when there are three or more claimed benefits.

Providing a real reason to believe means explaining how you're going to make good on the promised benefit of your product. According to Hall, there are five strategies for communicating real reason to believe: kitchen logic, personal experience, pedigree, testimonials, and guarantees. All are, more or less, equivalent in their effectiveness.

Altogether, you must articulate a dramatic difference relative to alternatives in order to persuade prospective customers to change their behavior from the status quo.

During years of work with clients, Doug Hall and his colleagues rated and ranked 900 products. They predicted that well-articulated overt benefit, real reason to believe, and dramatic difference would double the chances of success. Actual results validated their predictions.

To sum up, Doug Hall's research confirms that a well-articulated value proposition is a key driver of market success. Because value is personal, relative, and dynamic, a compelling value proposition is characterized by overt benefit, real reason to believe, and dramatic difference.